



5 September 2017

HALF YEAR RESULTS

2017 FIRST HALF FINANCIAL RESULTS

- **Operational activity delivering continued profitability of US\$25.1 million and supporting a strong net cash equivalent position of US\$155.1 million**
- **Phase 2 development activities in D35 Malaysia commenced and continue in 2H 2017**
- **Beibu project reached 13.9 mmbo cumulative production milestone, resulting in reduction of fixed operating tariff**
- **Sale of Cliff Head oil field in Western Australia**

ROC had a successful first half of the 2017 Financial Year. Commenting on the first half, ROC's Chief Executive Officer, Dr Yuanlin Jiang, stated:

"I am very pleased to report another strong performance from the business during the period. ROC has delivered a strong first half result with net profit of US\$25.1 million, underpinned by competitive operating costs (US\$10.39/BBL). ROC produced 7,220 BOEPD during the six-month period. ROC has continued to deliver against its strategic milestones. Operational and strategic momentum continued during the half.

In January, Beibu project reached the 13.9 mmbo cumulative production milestone, which results in reduction of fixed operating tariff for transportation of oil through CNOOC's Weizhou facilities. Studies and planning progressed for infill drilling at the WZ 12-8 fields.

Prospect screening was completed for the two exploration blocks in the Pearl River Mouth Basin (PRMB) China. Detailed analyses continue to mature prospects to drill ready status.

In Malaysia, D35/D21/J4 redevelopment activities continued in 1H 2017, with well intervention work, new 3D seismic acquired and Phase 2 drilling operations commencing at D21.

In Australia, ROC executed a Share Purchase Agreement with Triangle (Perth Basin) Pty Ltd and Royal Energy Pty Ltd for the sale of its interest in the Cliff Head Oil Field. The transaction was completed in May with effective date of 1 January 2017. The profit on sale was US\$2.5 million.

ROC continues to gain traction in securing growth opportunities in our focus areas, and our ongoing drive to deliver current projects is providing a foundation for future value. This, together with ongoing efficient operational performance, evidenced by the first half results will consistently improve value and profits over time."

FINANCIALS

- Sales revenue of US\$64.7 million (1H16: US\$41.2 million), with an average realised oil price of US\$50.4/BBL, a discount of 3% compared to the average Brent price of US\$51.7/BBL.
- Net profit after income tax of US\$25.1 million (1H16: US\$0.6 million), largely driven by improved oil price, higher sale volume and reduced operation cost. The sale of Cliff Head oil field and a net foreign exchange gain contributed US\$2.5 million and US\$3.6 million profits respectively.
- Net cash flow from operations of US\$42.0 million (1H16: US\$16.0 million); attributable to higher cash received from sales.
- Production costs of US\$10.4/BOE, (1H2016: \$11.8/BOE). Production costs decreased as a result of cost reductions achieved within the assets.

Yuanlin Jiang
Executive Director &
Chief Executive Officer